

Receipt Number

537667

ORIGINAL

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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

AXIOM PARTNERS, LLC,
A Michigan limited liability company,

Plaintiff,

Case: 2:06-cv-10371
Assigned To : Zatkoff, Lawrence P
Referral Judge: Scheer, Donald A
Assign. Date : 01/27/2006 @ 12:09 p.m.
Description: cmp axiom partners, llc v.
peter jay klauser, et al (tam)

-vs-

COMPLAINT

PETER JAY KLAUSER, an individual,
JOSEPH DEPOMPEII, an individual,
FILM PLANET, LLC, a foreign limited liability company,
and FILM PLANET GALAXY FUND, LLC, a foreign
limited liability company, jointly and severally,

Defendants.

COMPLAINT

NOW COMES the Plaintiff, AXIOM PARTNERS, LLC, by and through its
attorney, KENNETH J. WROBEL, JR., P.C., and for its Complaint against the
Defendants, state the following:

1. Plaintiff, Axiom Partners, LLC, is a Michigan limited liability company and is a citizen of the state of Michigan.
2. Defendant, Peter Jay Klauser, is a citizen of the state of California.
3. Defendant, Joseph DePompicii, is a citizen of the state of California.

4. Defendant, Film Planet, LLC, is a foreign limited liability company having its principal place of business in the State of California. Film Planet, LLC conducts business in the state of Michigan.
5. Defendant, Film Planet Galaxy Fund, LLC is a foreign limited liability company having its principal place of business in the State of California. Film Planet Galaxy Fund, LLC conducts business in the state of Michigan.
6. The matter in controversy exceeds, exclusive of interest and costs, the sum specified in 28 U.S.C. Sec. 1332.
7. Jurisdiction is conferred by 28 U.S.C. Sec. 1332.
8. Venue is appropriate in the Court pursuant to 28 U.S.C. Sec. 1391, and this is the District where the claim arose.

FACTUAL ALLEGATIONS

9. Defendants, Klauser, DePompicii, and Film Planet, are in the business of making and distributing movies.
10. In 2001, Defendants desired to make a movie titled "Stealing Candy".
11. Defendants needed funding to make the movie "Stealing Candy".
12. Defendants, Klauser, DePompicii, and Film Planet, desired and undertook to raise capital for the movie "Stealing Candy".
13. Defendants disseminated information, literature, brochures, advertisements, and the like throughout the country through many media devices, including the world wide web. The sales literature promoted Defendants as successful film makers who have made many movies through the use of venture capital.

14. Defendants solicited investment in the Stealing Candy movie from citizens of the state of Michigan, including Plaintiff.
15. Defendants
16. Defendants represented that they had formed a separate California limited liability company for the sole purpose of being the investment vehicle and business entity for producing the Stealing Candy movie.
17. Film Planet Stealing Candy, LLC was formed for the Stealing Candy movie project.
18. Defendants, Klauser, DePompeii, and Film Planet, managed Film Planet Stealing Candy, LLC.
19. In soliciting investment funds, Defendants represented to Plaintiff that they had already sold \$625,000.00 in foreign distribution rights to the Stealing Candy movie.
20. In soliciting investment funds, Defendants represented to Plaintiff that the investment was secured by the guarantees and the assets of other related business entities that Defendants were involved in. The assets included the library of movies owned by the businesses.
21. Defendants provided Plaintiff with a "subscription agreement" that pertained to acquiring ownership interests (shares) in Film Planet Stealing Candy, LLC.
22. Based on the representations made by Defendants, Plaintiff invested in Film Planet Stealing Candy, LLC.
23. On February 28, 2002, Plaintiff invested \$450,000.00 in Film Planet Stealing Candy, LLC, a California limited liability company.

24. On February 28, 2002, Plaintiff wired \$450,000.00 to the Wells Fargo Bank, account of Film Planet.
25. Plaintiff acquired approximately 76.29% ownership interest of Film Planet Stealing Candy, LLC as a result of the \$450,000.00 investment in said limited liability company.
26. At all relevant times, Defendants, Klauser, DePompeii, and Film Planet, managed the business activities of Film Planet Stealing Candy, LLC.
27. The Stealing Candy movie was completed, marketed, and distributed.
28. At all times relevant herein, all revenue from sales of the Stealing Candy movie were the sole property of Film Planet Stealing Candy, LLC.
29. Defendants have not provided any meaningful and tangible financial information about the investment in Film Planet Stealing Candy, LLC.
30. Defendants have not provided any meaningful and tangible financial information about the investment in Film Planet Stealing Candy, LLC.
31. Defendants, Klauser, DePompeii, and Film Planet have kept Plaintiff in the dark about the finances of the movie and Film Planet Stealing Candy, LLC.
32. Defendants, Klauser, DePompeii, and Film Planet, failed and refuse to account for business activities of Film Planet Stealing Candy, LLC.
33. Defendants, Klauser, DePompeii, and Film Planet, failed and refuse to account for the revenue from the Stealing Candy movie.
34. Defendants, Klauser, DePompeii, and Film Planet, failed and refuse to provide records and accountings regarding the business activities of Film Planet Stealing Candy, LLC.

35. Upon information and belief, assets of Film Planet Stealing Candy, LLC were transferred to Defendant, Film Planet Galaxy Fund, LLC.
36. Plaintiff has not yet even recovered its initial investment in Film Planet Stealing Candy, LLC.
37. Plaintiff has not received any profits from the business.
38. Defendants essentially took Plaintiff's investment funds for their own financial gain.

COUNT 1
(Violation of Section 101 of the Michigan Uniform Securities Act)

39. Plaintiffs incorporate by reference paragraphs 1 through 38.
40. The "subscription agreement" issued to Plaintiff and to other investors for investment in Film Planet Stealing Candy, LLC constitutes a "security" within the meaning of section 401(z) of MUSA, being MCL 451.801.
41. By virtue of their conduct as set forth herein, the Defendants, Klauser, DePompeii, and Film Planet, in connection with the offer and sale of the security to Plaintiff, directly or indirectly, employed a device, scheme, or artifice to defraud contrary to and in violation of Michigan law, MCL 451.501(1).
42. By virtue of their conduct as set forth herein, the Defendants, Klauser, DePompeii, and Film Planet, in connection with the offer and sale of the security to Plaintiff, directly or indirectly, engaged in acts, practice, or course of business which operated as a fraud or deceit upon Plaintiff contrary to and in violation of Michigan law, MCL 451.501(3).
43. As a direct and proximate result of Defendants' conduct, Plaintiff has sustained damages, including lost profits.

WHEREFORE, the Plaintiff, Axiom Partners, LLC, requests that this court enter a judgment for damages in its favor in whatever amount Plaintiff is found to be entitled greater than \$75,000.00, plus incidental and consequential damages, against Defendants, Klauser, DePompeii, and Film Planet, jointly and severally, together with costs, interest, and attorney fees.

COUNT II
(Breach of Trust and Fiduciary Duties)

44. Plaintiffs incorporate by reference paragraphs 1 through 43.
45. By virtue of their relationship with Plaintiff, Axiom Partners, LLC, Defendants, Klauser, DePompeii, and Film Planet, owed Plaintiff both statutory and common law fiduciary duties, including but not limited to:
- a. the duty to act with utmost good faith and loyalty toward Plaintiff;
 - b. duties of trust and confidence;
 - c. the duty to refrain from self-dealing;
 - d. the duty to disclose pertinent business information to Plaintiff;
 - e. the duty to refrain from exploiting or usurping information or opportunities for their own benefit and to the benefit of others and to the detriment of Plaintiff;
 - f. the duty to provide and allow verification of receipt and expenditure of funds received from business operations;
 - g. the duty to render true and full information of all things affecting the business operations;
 - h. the duty to account to Plaintiff;
 - i. the duty to hold as fiduciary for the corporation all proceeds;
 - j. the duty to provide a formal accounting as to the affairs of the business.
46. Defendants breached their trust and fiduciary obligations by the aforementioned acts, including but not limited to: violation their obligations of disclosure; making and/or undertaking excessive, inappropriate and unauthorized payments and/or obligations; failing to account for the business revenue and expenditures; failing

to provide detailed accounting of the business activities; failing to refrain from self-dealing; and otherwise mismanaging the business affairs contrary to the best interests of the Plaintiff.

47. By virtue of their conduct described above, Defendants acted in their own self-interest, which was in conflict with the interests of Plaintiff.

48. Defendants' conduct constituted a breach of their fiduciary duties to Plaintiff.

49. As a direct and proximate result of Defendants' conduct, Plaintiff has sustained damages, including lost profits.

WHEREFORE, the Plaintiff, Axiom Partners, LLC, requests that this court enter a judgment for damages in its favor in whatever amount Plaintiff is found to be entitled greater than \$75,000.00, plus incidental and consequential damages, against Defendants, Klauser, DePompcii, and Film Planet, jointly and severally, together with costs, interest, and attorney fees.

COUNT III
(Conversion)

50. Plaintiffs incorporate by reference paragraphs 1 through 49.

51. Defendants on information and belief intentionally caused company assets to be diverted to themselves, by wrongfully exercising dominion, control and disbursement over and of the company assets, and without the knowledge of Plaintiff, Axiom Partners, LLC, and without full disclosure to Plaintiff, Axiom Partners, LLC.

52. Defendants on information and belief intentionally caused company assets to be diverted to Film Planet Galaxy Fund, LLC, a California limited liability company

affiliated with or controlled by Defendants, Klauser, DePompeii, and Film Planet, by wrongfully exercising dominion, control and disbursement over and of the company assets, and without the knowledge of Plaintiff, Axiom Partners, LLC, and without full disclosure to Plaintiff, Axiom Partners, LLC.

- 53. Such actions constitute conversion and misappropriation of company assets.
- 54. As a direct and proximate result of these actions, Plaintiff, Axiom Partners, LLC, has suffered injury.

WHEREFORE, the Plaintiff, Axiom Partners, LLC, requests that this court enter a judgment for damages in its favor in whatever amount Plaintiff is found to be entitled greater than \$75,000.00, against Defendants, jointly and severally, together with costs, interest, and attorney fees.

COUNT III
(Action for Accounting)

- 55. Plaintiff's incorporate by reference paragraphs 1 through 54.
- 56. Defendants, Klauser, DePompeii, and Film Planet, failed to maintain accurate records of business activities.
- 57. Defendants, Klauser, DePompeii, and Film Planet, have failed and refused to provide information, including financial information, about the company's business activities.
- 58. Plaintiff cannot, even with liberal discovery, reasonably be expected to ascertain and determine the extent of the business conducted by Defendants.

59. Plaintiff does not know what amounts may be revealed by such accounting as being owed to Plaintiff and, therefore, makes no specific demand for monetary relief at the present time.


WHEREFORE, the Plaintiff requests that this court enter judgment compelling Defendants, Klauser, DePompeii, and Film Planet, to prepare, at their sole expense, a true and accurate accounting of all of the activities and assets of Film Planet Stealing Candy, LLC, and all business activities of the Stealing Candy movie, and to award Plaintiff other and different relief as the court deems warranted.

COUNT IV
(Civil Conspiracy)

60. Plaintiff incorporates by reference paragraphs 1 through 59.
61. The Defendants conspired, confederated, and acted in concert for an unlawful purpose or a proper purpose through unlawful means.
62. As a direct and proximate result of the Defendants' civil conspiracy, the Plaintiff has been injured and has suffered significant economic injuries.

WHEREFORE, the Plaintiff, Axiom Partners, LLC, requests that this court enter a judgment for damages in its favor in whatever amount Plaintiff is found to be entitled greater than \$75,000.00, against Defendants, jointly and severally, together with costs, interest, and attorney fees.

Dated: 1-26-2006


Kenneth J. Wrobel, Jr. (P44176)
Attorney for Plaintiff
390 Park Street, Suite 200
Birmingham, MI 48009
(248) 645-2200

CIVIL COVER SHEET

County in which this action arose Macomb

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS

Axiom Partners, LLC

(b) County of Residence of First Listed Plaintiff Macomb, Michigan
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)
Kenneth J. Wrobel, Jr., P.C., 390 Park Street, Suite 200, Birmingham, MI 48009

DEFENDANTS

Peter Jay Klausner, Joseph DePompeii, Film Planet, LLC, Film Planet Galaxy Fund, L.L.C.

County of Residence of First Listed Defendant Los Angeles, CA
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Select One Box Only)

- ☐ 1 U.S. Government Plaintiff ☐ 3 Federal Question (U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant ☒ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Select One Box for Plaintiff and One Box for Defendant)

- | | | | | | |
|---|---------------------------------------|---------------------------------------|---|----------------------------|----------------------------|
| | PTF | DEF | | PTF | DEF |
| Citizen of This State | <input checked="" type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input checked="" type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Select One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury	PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus: <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition		

V. ORIGIN (Select One Box Only)

- ☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from another district (specify) ☐ 6 Multidistrict Litigation ☐ 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
28 USC sec. 1332

Brief description of cause:

Securities/investment scam

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$

greater than \$75,000

CHECK YES only if demanded in complaint:

JURY DEMAND: ☐ Yes ☒ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

January 26, 2006

SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____